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### Job Opportunities for Economic Recovery

There has been a lot of talk recently in regard to the State's ongoing budget problems, and members of the Legislature will be working with the Governor in order to resolve the latest revenue shortfall of nearly \$1 billion. There will be difficult decisions to make in the months ahead, and every Michigan resident will probably feel the pinch.

Let's look for a moment at why this situation exists. In the past four years, state revenue has shrunk by 20% - from \$9.8 billion in 1999 to an estimated \$7.8 billion this year. And while revenue has been down 20%, spending at the state level has not been reduced at the same level. When all is said and done, we will have cut general fund spending by more than 20% since the height of our 90's economy.

However, cutting costs only treats the symptom of what's wrong with Michigan's state budget. The real problem is lost jobs. Michigan has lost nearly 58,000 good paying jobs since New Year's Day, 2003. Our unemployment rate has gone from well below the national average just a few years ago, to a troubling 7.4% last month, well above the national 6.1%. Recent statistics show that nearly one quarter of all jobs lost in the United States have come from Michigan. While the national economy is creating jobs and starting to grow, Michigan's economic engine is stalling.

The effects of these job losses can be felt statewide. With Michigan residents earning an estimated annual median income of \$41,000, these job losses translate to more than \$2.3 billion in lost economic activity by Michigan's workforce. The ballooning state-budget deficit can be attributed largely to the slowing of Michigan's economy as the loss of jobs has led to declines in both sales and income tax revenues. While these statistics are alarming, we cannot afford to be paralyzed by fear.

We must realize that the only way we are going to solve Michigan's economic woes and eliminate future deficits is to grow our economy. Hand-wringing and solution-pondering do not solve problems. What Michigan needs is bold and creative solutions so that we may take advantage of the national recovery. The time for action is now.

To that end, the Republican-led Legislature recently unveiled a package of nine initial steps to jump-start Michigan's weak job market and get our state's residents back to work. The package is designed to make Michigan friendlier to business and encourage more small business growth, the true engine of our economy. This, in turn will lead to more jobs for Michigan families.

Many of the proposals in the package came from the Senate and House Joint Committee on Business Competitiveness which held hearings around the state and heard testimony from hundreds of individuals and job providers on how to make Michigan more competitive for jobs.

Capping off this stimulus plan is a package of bills to revitalize the state's floundering tool and die industry, which has been especially hard hit with job losses and overseas competition. The main component of the package is the creation of Tool & Die Recovery Zones that would provide the tax relief of a Renaissance Zone. The other marquee of this proposal is a tax incentive for new startup businesses. The package also calls for the implementation of a Forestry Initiative that would adopt forest management changes to protect the environment and create new job opportunities by strengthening Michigan's timber industry.

The time for action IS now. In the weeks ahead, I hope you will see this package of bills move fairly quickly through the legislative process. Michigan is losing more jobs every day, and this problem is not going to resolve itself. In 2000, Michigan's unemployment rate was at the lowest level since 1969. By June of this year, the rate reached its highest level since 1994. We cannot afford to hold the record nationally for the most jobs lost; we must act now and get Michigan's residents back to work.